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September 12, 2007

VIA EFILING AND HAND DELIVERY

Mr. Charles L.A. Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, SC 29210

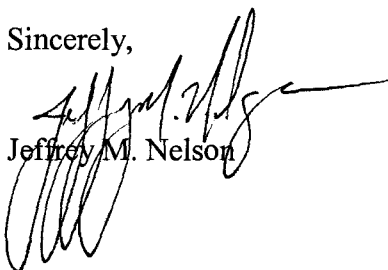
Re: Petition of Piedmont Natural Gas Company, Inc. for Authority to Place Certain Lump Sum Settlement Charge Obligations in a Deferred Account.
Docket No.: 2007-317-G

Dear Mr. Terreni:

Please allow this correspondence to serve as notification that the Office of Regulatory Staff ("ORS") does not oppose the petition of Piedmont Natural Gas Company, Inc. ("Piedmont") in the above referenced docket. ORS understands that Piedmont's request, to place certain lump sum settlement charge obligations in deferred accounts, is being made in order to avoid the material negative impacts to its earnings which would result from implementing the timing of recognition requirements imposed by SFAS No. 88¹. The relief sought by Piedmont merely seeks to preserve the current approved regulatory treatment and cost-recovery regime for its defined benefit plan expenses pending further consideration by the Commission in a subsequent proceeding.

Thank you for your consideration in this matter. If you have any questions, please do not hesitate to call me.

Sincerely,



Jeffrey M. Nelson

cc: Scott Tyler, Esq.

¹ Note: Refers to the Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 88